REMARKS

Claims 1-7, 10-18, and 24-25 are pending in this application. Claim 1 has been amended in accordance with an agreement reached during an interview by applicants representative with Examiners Kasimi and Kyle, to overcome the prior rejection under 35 USC 112. Claim 1 has also been amended to clarify that the participating merchant is not the employees employer. This feature of the invention is described throughout the specification, and in particular the drawing figures, which clearly identify the participating merchant and employer as separate entities. As such, no new matter has been added.

Since the prior art previously of record does not show or suggest the use of a payroll deduction system that permits an employee to make purchases from parties other than the employee's employer, all claims are now in condition for allowance. A notice thereof is solicited.

Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached page is captioned "**Version with markings to show changes made.**"
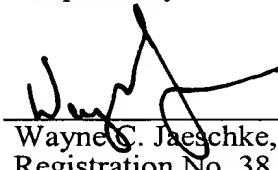
In the event that the transmittal letter is separated from this document and the Patent Office determines that an extension and/or other relief is required, applicants petition for any required relief including extensions of time and authorize the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to **Deposit Account No. 03-1952** referencing docket no. **482772000500**.

dc-319437

However, the Commissioner is not authorized to charge the cost of the issue fee to the

Deposit Account.

Respectfully submitted,

Dated: July 15, 2002   By: _____
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Docket No. 482772000500

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VERSION WITH MARKINGS SHOWING CHANGES MADE

In the Claims:

1.   (Amended) A method comprising:

establishing a payroll deduction card account to enable an employee to charge a purchase to said payroll deduction card account to pay for a purchase made from a participating merchant;

receiving a request from said participating merchant to apply a charge to said payroll deduction card account;

cross referencing the payroll deduction card account to the payroll of said employee, wherein [a] said charge applied to said payroll deduction card account is automatically and dynamically deducted from said payroll;

applying said charge to said payroll deduction card account; and

[debiting] deducting from said payroll automatically and dynamically [in] the amount of said charge,
wherein said participating merchant is not said employee's employer.

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